

Utah State Building Board/



Utah State Board of Regents Joint Meeting

August 3, 2000

Utah State Building Board Members in attendance:

David Adams, Chair
Keith Stepan, Vice Chair
R. Haze Hunter
Joseph Jenkins
Kay Waxman

Utah State Building Board Members excused:

Chuck Canfield
Lynne Ward (Ex-Officio)

Utah State Board of Regents in attendance:

Jerry C. Atkin
Pamela J. Atkinson
Aileen H. Clyde
David J. Grant
L. Brent Hoggan
Michael R. Jensen
Charles E. Johnson
David J. Jordan
Rob Peterson
Winn L. Richards
Paul S. Rogers
Maria Sweeten

Utah State Board of Regents excused:

Karen H. Huntsman
James S. Jardine
E. George Mantes

Utah System of Higher Education Presidents in attendance:

Paul H. Thompson

Steven D. Bennion
Gerald J. Day
Robert C. Huddleston
Grace S. Jones
Kerry D. Romesburg
H. Lynn Cundiff

Utah System of Higher Education Presidents excused:

J. Bernard Machen
George H. Emert

Utah State Board of Regents, Office of the Commissioner staff in attendance:

Cece Foxley
Joyce Cottrell
Jerry Fullmer
Edith Mitko
Gail Norris
Mike Petersen
Teddi Safman
Norm Tarbox
Gary S. Wixom
Brad Mortensen

Others in attendance:

Raylene Ireland	Department of Administrative Services
Richard E. Byfield, AIA	Division of Facilities Construction & Management
Robert Woodhead	Division of Facilities Construction & Management
Ken Nye	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Cheryl Searle	Division of Facilities Construction & Management
Gary Doxey	Governor's Office
Kevin Walthers	Legislative Fiscal Analyst Office
Michael Kjar	Legislative Fiscal Analyst Office
Randa Bezzant	Governor's Office of Planning and Budget
Mel Parker	Governor's Office of Planning and Budget
Rep. Demar "Bud" Bowman	Utah State Legislature
Rep. Ray Short	Utah State Legislature
Rep. Brad Johnson	Utah State Legislature
Rep. Gerry Adair	Utah State Legislature
Rep. Loraine Pace	Utah State Legislature
Rep. Brent Goodfellow	Utah State Legislature
David C. Jones	Attorney General Office
Col. Pete Wilson	Utah National Guard
Dr. Dean Kashiwagi	Arizona State University
Lynn Samsel	Department of Human Services
Dennis Geary	College of Eastern Utah
Brad King	College of Eastern Utah
Gail Glover	College of Eastern Utah – San Juan Campus

Dave Cowley	Utah State University
Darrell E. Hart	Utah State University
Blythe Ahlstrom	Utah State University
Lee Burke	Utah State University
Rick Jacobs	Utah State University
Randy Turpin	University of Utah
Ray Haskell	University of Utah
Brad Cook	Utah Valley State College
Linda Makin	Utah Valley State College
Brent Roberts	Utah Valley State College
Ryan Thomas	Utah Valley State College
Doug Warner	Utah Valley State College
Sterling R. Church	Southern Utah University
Ray Reutzel	Southern Utah University
Michael Wasden	Southern Utah University
Greg Stauffer	Southern Utah University
Dorian Page	Southern Utah University
Jeff Livingston	Weber State University
Carol Gaskill	Weber State University
Craige Hall	Weber State University
Mike Perez	Weber State University
Shandon Gubler	Dixie State College
Stan Plew	Dixie State College
Bill Fowler	Dixie State College
Max Rose	Dixie State College
Julie Curtis	Salt Lake Community College
Daniel Bingham	Salt Lake Community College
Richard Rhodes	Salt Lake Community College
Geoffrey Brugger	Salt Lake Community College
Gary Arnoldson	Snow College
Maria Titze	Deseret News

MINUTES

Chairman Johnson of the Board of Regents sought a summary of the presentations made by each institution to the Board of Regents at their prior meeting.

USHE Projects to be Prioritized for 2001-2002 Funding Cycle

Chairman Johnson referred the Board members to Tab C of their information packet to review the

information describing the prioritized projects and their attributes. He indicated that the top priorities included 303,077 GSF of new space requested, including space at Utah Valley State College, Snow College, Weber State, and an uncertain amount for the Dixie College Fine Arts Center. The remodeled square footage amount is 251,949 GSF and 144,524 GSF is to be demolished. Mr. Tarbox commented it is a priority of the Board of Regents and the Building Board to attend to existing space. He commented that campuses across Utah are at different points in their maturity with some more than 100 years old and some younger than 30. The Board of Regents faces a difficult task next month as they weigh the needs of the campuses for a prioritization list for the Building Board.

Chairman Johnson referred to projected enrollment growths and indicated the projects on the list meet the known needs in the short run. Long-term projections would include a more extensive list. Distance education was discussed and the Regents concluded there could be more competition to get education in the State of Utah. Therefore, the Regents felt they could best recommend projects addressing immediate needs.

David Jordan commented the document did not indicate Southern Utah University's (SUU) first priority of a new teacher education building at the cost of \$9 - \$12 million in capital development funds. An earlier presentation had indicated an additional \$1 million in capital facilities money for a renovation on the Cedar City Middle School. Chairman Adams mentioned it is the Building Board's belief that the facility should be recycled rather than demolished.

Chairman Adams stated two-thirds of the property DFCM manages is in the area of Higher Education and the Building Board is seeking a better understanding of the forecasts. He noted the Building Board made a large push last year to concentrate on maintenance projects as the Board was spending approximately \$0.30 per square foot on maintenance for buildings. Although the deferred maintenance spending has increased to approximately \$1 per square foot, a significant backlog still exists causing an increased expense in renovation. The sentiment of the Building Board is to continue with last year's policy as much as possible, noting the many exceptions to address buildings with life safety issues. Chairman Adams stated Higher Education institutions are at an advantage as they have great internal resources to use for their building programs, and other institutions do not have that ability. He mentioned that the Reeves Building at the College of Eastern Utah (CEU) needs to be replaced and should be considered by the Regents.

Building Board Prioritization Process

The Building Board is devising a new system of definition for identifying needs. Buildings given the emergency needs ranking would receive the Building Board's top priority, as they would be unable to be occupied. Funding for many of the emergency need projects would be allocated through the Division of Risk Management. Critical need projects would be at risk of falling into the emergency category without immediate assistance. Immediate future and future needs would fall into lower categories. DFCM is developing a numerical matrix to assign values to the definitions.

Representative Gerry Adair emphasized the Utah State University Heating Plant would need another bond this year and would definitely be funded. He stressed the need for additional infrastructure as he felt the economy would take a downturn after the completion of the I-15 project and the 2002 Olympic Games. Upgrading structures would be one way of keeping the construction trades in work after the I-15 project is complete.

Representative Adair cited there is approximately \$500 million in deferred maintenance projects for

the State of Utah. Last year, \$37 million was allocated for operations and maintenance, but the funding still needed to increase to at least \$50 million. He suggested it is detrimental for the State to be exporting college-aged citizens to institutions in other states and advocated increasing educational infrastructure in rural areas. In order to fund the increase, he suggested implementing a twenty-year bond. He also asked the Regents and the Building Board to join him in collectively requesting half of the surplus money to build infrastructure and keep Utah's economy stronger. He believed the 'pay-as-you-go' system would not be a lasting solution to the problem.

Representative Brad Johnson commented he understood the economy could be accelerated through the borrowing of money. He questioned the wisdom of the Legislature borrowing money against the future to accelerate today's economy and believed the State of Utah has enough money to increase capital facilities spending.

Representative Loraine Pace advanced a different opinion. She perceived some critical needs in the State and the short-term bonding currently underway would not obligate future generations and little extra money would go into capital facilities in the future. She commented she witnessed critical needs in each of the institutions visited on the tours and had seen some discouraging items. She felt the Capital Facilities Committee had been successful in analyzing projects, however, some projects had become unruly when the architects spoke directly to the client instead of the State of Utah. She cautioned the Legislature needed to carefully guard the money they have and asked those institutions making requests to make them cautiously.

Representative Bud Bowman affirmed his support of bonding and did not perceive how the State would continue without bonding. Under the current system, projects like the Southern Utah University PE building have been pushed back on priorities lists for years, ultimately at greater expense to the State. The Capital Facilities Committee should consider the Building Board's list, the Board of Regent's list and the Governor's list and derive their own consolidated priorities list. He supported Representative Adair's proposal to use some of the surplus money.

Representative Ray Short commented a possible expansion of the Capitol would contribute another 140,000 square feet of useable space. He cautioned against building monumental architecture, instead suggesting the scope of projects could be reduced to accommodate more new construction.

Representative Brent Goodfellow cast doubt on getting a bond through the Legislature in several years. He implored that new Legislatures need to be educated in the advantages of bonding. The typical bond term of six or seven years would not hinder future generations.

Chairman Adams of the Building Board commented there is a mindset towards new buildings, although deferred maintenance remains an obstacle and the account has remained short for several years. Many of the square footage required renovation or replacement. He mentioned that in 1965, the Legislature and Governor voted for a bond for \$100 million for new Higher Education construction at 2.7% interest. Adjusted for inflation, that value is \$1 billion. He felt many believe that investment was one of the finest the State of Utah made. He expressed the first priority of the Board and the Regents should be to take care of existing inventory.

Pamela Atkinson of the Board of Regents mentioned every Department in State government has the capacity to develop a case for their priority. The Legislator's challenge is to balance human needs against building needs. Buildings with life safety issues should be closed so faculty and students would not be put at risk. The ramifications of condemning buildings, or even certain areas of buildings,

decrease availability and accessibility and cause a dilemma in appropriating available funds.

Mr. Richard Byfield expressed his concern regarding life safety issues and stated there is no penalty associated with maintenance mismanagement. The struggle is obtaining enough money to address the life safety issues. DFCM has been working on correlating program mission needs and that which support them. He believed interested parties should assess what is required in terms of health and safety as a total programmatic delivery. DFCM is also currently undergoing an assessment of every building and infrastructure item in the State of Utah, the results of which will be compiled into a database. DFCM will be tracking and recommending projects to prevent problems in the future.

Brent Hogan of the Board of Regents offered that the emphasis on new Higher Education construction is misguided. He believed buildings did not make a great difference in the quality of education offered at an institution. He referred to Larry Miller's donation to Salt Lake Community College where Larry Miller refused to utilize DFCM as the construction agent because he believed he could build the building on his own for a third less. He did not believe the State of Utah requires as much as they are building and future construction could cost significantly less. Mr. Hogan mentioned he did not intend to criticize DFCM, just to highlight a fundamental problem in the process.

Mr. Byfield replied that there is valid concern raised with the legal requirements around state construction. He believed DFCM could build any building that anyone wishes. In those instances, the building has been delivered within the budget without any change orders, save those that are owner-initiated. DFCM's price structure, he feels, is competitive. The dilemma has been that DFCM has a process to change the architecture. On the Larry Miller project, there was not the participation of the Salt Lake Community College to add what they wished; they simply inherited the building. If DFCM were to function similarly, then they could operate in the same budget. The State of Utah as a process adds to the cost, not DFCM. Bridgerland ATC began construction at the end of January and he committed to the Superintendent the project would be done by August 15. The ATC is complete two weeks early without change orders. The Superintendent attested that, in terms of materials and finishes, it was the highest-quality project he has seen. The Soldier Hollow Day Lodge, which started two weeks ago, will be complete by December 15. The architects have believed the agency is the client, not DFCM. Mr. Byfield mentioned he would like to alter that perception and noted the entire system needs to be addressed, rather than merely DFCM.

Cecilia Foxley, Commissioner for Higher Education, warned against finger pointing between agencies, instead calling for a cooperative effort at keeping costs down while ensuring a good investment.

Paul Rogers expressed appreciation for the Building Board's ability to forecast and the Legislature's ability to look beyond. He praised Representative Adair's plan to address new construction as well as the maintenance backlog.

Joseph Jenkins of the Building Board mentioned that the Building Board would be holding a rule-making session in September to set a policy for procuring construction and services contracts. He stated that the onus should lie with the responsibility. He favors a teamwork approach on future construction.

Dave Jordan added that communication is not working well with the Capital Facilities Committee. He believed the Regents, the College Presidents, and DFCM need to work on communicating better. He believed it is fair for future taxpayers to pay for what they are using. He felt that the Higher Education

system will fall behind on life safety projects and deferred maintenance unless a bond is considered.

Aileen Clyde of the Board of Regents mentioned the Legislature and the Building Board clearly expressed the dilemmas that have faced them. She struggles with the question of providing places of learning that are safe and inspired enough to provide to students what is needed. She stressed to the Legislators the importance of funding Higher Education in a way that can handle forthcoming social changes.

Long-term Growth in the USHE

Commissioner Foxley stated that a growth of 46,669 student has occurred in the last twenty years.

In the next twenty years, the growth will increase to 53,304. She felt some of the institutions would grow faster than the projections have shown. She mentioned that Chairman Adams of the Building Board had expressed the sentiment that if higher education lacks the facilities to offer the programs, then the system will deny the opportunity to future students, and they will go elsewhere for their education. She stated Utah's best resources are its well-educated citizens.

Representative Pace asked the Board of Regents about the implications of the decision to transform Ricks College into a four-year institution as, previously, 500-700 Ricks students would transfer yearly to Utah State University. Chairman Johnson did not think the statistics were definitive on the impact of the Ricks College decision. Paul Thompson added there are no immediate plans to increase the size of Ricks College and a high amount of transfers are still anticipated. The largest transferring numbers of students to Weber State University come from Utah State University. 62% of Weber State University graduates have attended other institutions. He did not feel the transition from Ricks College to BYU Idaho would change the Higher Education dynamic in Utah. President Bennion furthered that Ricks will retain a large number of two-year programs.

Chairman Adams mentioned the Building Board would like to be informed of how much growth was anticipated to take place at Weber State University at the new campus as opposed to the old. Paul Thompson replied most of the growth to take place in the next twenty years would take place at the Davis County campus. The Davis County FTE is already 1,000. President Kerry Romesburg of Utah Valley State College mentioned that if a new campus were built, it would be difficult for projections to accommodate the change in participation rates.

Representative Adair mentioned there has been enormous growth in Utah, Salt Lake, and Davis Counties, and that Weber County is on the threshold of such growth.

Paul Thompson mentioned it is difficult to ascertain the impact of distance education programs on facilities needs. While 5% of Weber State University students take distance education courses, 85% of that number also take on-campus classes. The impact on facilities is unknown.

David Jordan asked if the document in tab A was a compilation of each institution's projections, or is it the work of the Commissioner's office. The document is a work of the Commissioner's office, with input provided by the Presidents of each institution and the Governor's Office of Planning and Budget.

David Jordan mentioned his difficulty in perceiving the growth at Utah State University being in the range of 10,000 students. The answer provided was that 20%-30% of the growth will be at locations other than the Logan campus.

Jerry Atkin mentioned that with the enrollment numbers in hand, the square footage needs could be projected as well. He advocated a twenty-year building plan to help to determine the level of bonding necessary to accommodate the growth to which Chairman Adams of the Building Board affirmed. He felt the data provided in the twenty-year building plan would make the capital funding discussion more tangible. Mr. Byfield stated the data is being compiled from the institutions, and would be ready to be loaded into a database by November or December. The processing in full should be complete in a year, but significant numbers should be ready for the Legislative session. Mr. Byfield offered Mr. Tarbox DFCM staff assistance.

Pamela Atkinson suggested written correspondence from the Building Board on a regular basis would give the Board of Regents a better idea of where they stand.

Keith Stepan of the Building Board emphasized his interest in anticipating the enrollment projections by handling construction and maintenance needs. He thought it would be helpful to the Legislature to have the agencies collect the data. He mentioned that looking at architectural systems and selection processes is one of many ways of reducing costs. He commended the aggressiveness of the current Building Board.

Richard Byfield and Chairman Adams were asked to return to the December Board of Regents meeting to agree on how to reach the numbers. Representative Adair was asked to return to review his proposal to give the Board of Regents an opportunity to formally endorse the proposal.

Chairman Johnson of the Board of Regents thanked the Building Board for their contribution at the joint meeting. He adjourned the meeting at 2:50 p.m.